

Additional Data for CON Task Force

- 1. Hospice is a fixed price service. *Increased competition will not affect price.***
 - a. 80% of Hospice care is paid by Medicare. Range in Maryland \$117.57 to \$137.26 per day
- 2. Higher expenditures are directly correlated to levels and quality of patient care. *Increased competition will increase cost pressures and reduce levels of care.***
 - a. Minimum required services include staff, equipment and **pharmaceuticals** for palliation of pain and symptoms related to terminal diagnosis
 - b. The only way to reduce costs is to limit patient visits and reduce pharmaceutical and other costs.
 - c. Operation Restore Trust in 1997 found fraud in hospices enrolling nursing home patients and providing limited or no services. The worst of this fraudulent conduct was concentrated in states without CON.
- 3. Charitable contributions are essential.**
 - a. Fundraising accounts for 20% of Maryland hospices' revenue
 - b. Only 6 of 30 hospices in Maryland could break even without charitable contributions.
- 4. Unregulated market entry in hospice care will produce:**
 - a. Additional market participants
 - b. More competition for the same patients
 - c. Lower volumes for existing providers
 - d. Smaller margins
 - e. Lower quality of care
- 5. Limited data indicate hospices in CON States provide more care**
 - a. More visits per admission
 - b. Longer lengths of stay
 - c. More funds spent on patient care: staff, equipment, pharmaceuticals